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MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC SERVICE COMMISSION HELD IN ITS OFFICES ON FEBRUARY 15, 2012

Commission Chairman John D. Quackenbush called the meeting to order at 1:30 p.m.  
Executive Secretary Mary Jo Kunkle called the roll and declared there was a quorum.

**PRESENT**

Commission: John D. Quackenbush, Chairman  
Orjiakor N. Isiogu, Commissioner  
Greg R. White, Commissioner

Staff: Margaret Rost  
Mary Jo Kunkle  
Catherine Bowers  
Mignon Middlebrook  
Sharron Allen  
Lisa Felice  
Debra Berry

Public: Beverly Roberts, Consumers Energy  
Jim Padgett, DTE Energy  
Kwafo Adarkwa, ITC Holdings  
Gary L. Field, Field Law Group  
Suzy Westmoreland, MEGA  
Tim Hoffman, Consumers Energy

- I.** Commissioner Isiogu moved to approve today's agenda, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White  
Nays – None

The agenda was approved.

- II.** Commissioner Isiogu moved to approve the minutes of the Regular Commission Meeting of January 26, 2012, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White  
Nays – None

The minutes were approved.

### III. ORDERS

#### A. COMMUNICATIONS

1. U-16906 ACD TELECOM, INC., ARIALINK TELECOM, LLC, CYNERGYCOMM.NET, INC., DAYSTARR LLC, LUCRE, INC, MICHIGAN ACCESS, INC., OSIRUS COMMUNICATIONS, INC., SUPERIOR SPECTRUM TELEPHONE AND DATA, LLC, TC3 TELECOM, INC., AND TELNET WORLDWIDE, INC.  
(arbitration of interconnection)

Commissioner Isiogu moved that the Commission adopt and issue order dated February 15, 2012 which is an application for arbitration of an interconnection agreement between AT&T Michigan and ACD Telecom, Inc., Arialink Telecom, LLC, CynergyComm.Net, Inc., DayStarr LLC, Lucre, Inc., Michigan Access, Inc., Osirus Communications, Inc., Superior Spectrum Telephone and Data, LLC, TC3 Telecom, Inc., and Telnet Worldwide, Inc. The order before you adopts with modifications the decision of the arbitration panel, directs the parties as to further negotiations, and provides for filing complying agreements, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White  
Nays – None

The order was adopted.

2. U-16914 OGDEN TELEPHONE COMPANY  
(license expansion)

Commissioner Isiogu moved that the Commission adopt and issue order dated February 15, 2012 which involves a request to expand the geographic scope of a license to provide basic local exchange service. The order before you grants the request, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White  
Nays – None

The order was adopted.

3. U-16939 MATRIX HUMAN SERVICES v. AT&T MICHIGAN

Commissioner Isiogu moved that the Commission adopt and issue order dated February 15, 2012 which involves a complaint filed against AT&T Michigan. The order before you dismisses the

complaint at the complainant's request, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White  
Nays – None

The order was adopted.

4. U-16957 AMERICAN BROADBAND AND TELECOMMUNICATIONS  
COMPANY AND AT&T MICHIGAN  
(interconnection agreements and amendments)

Commissioner Isiogu moved that the Commission adopt and issue order dated February 15, 2012 which requests Commission approval of an interconnection agreement. The order before you approves the request, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White  
Nays – None

The order was adopted.

**B. ELECTRIC**

1. U-16794 CONSUMERS ENERGY COMPANY  
U-16811 MICHIGAN GAS UTILITIES CORPORATION  
U-16820 MICHIGAN GAS UTILITIES CORPORATION, UPPER PENINSULA  
POWER COMPANY, AND WISCONSIN PUBLIC SERVICE  
CORPORATION  
U-16864 ALPENA POWER COMPANY, CONSUMERS ENERGY COMPANY,  
THE DETROIT EDISON COMPANY, INDIANA MICHIGAN POWER  
COMPANY, NORTHERN STATES POWER COMPANY –  
WISCONSIN, UPPER PENINSULA POWER COMPANY,  
WISCONSIN PUBLIC SERVICE CORPORATION, WISCONSIN  
ELECTRIC POWER COMPANY, MICHIGAN GAS UTILITIES  
CORPORATION, SEMCO ENERGY GAS COMPANY, AND  
MICHIGAN CONSOLIDATED GAS COMPANY  
(tax law changes)

Commissioner Isiogu moved that the Commission adopt and issue order dated February 15, 2012 which involves the Commission's own motion to solicit comments regarding the accounting treatment for several tax issues. The order before you authorizes utilities to use deferral accounting and full normalization ratemaking in

addressing recent state and federal tax law changes, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White  
Nays – None

The order was adopted.

2. U-16801 INDIANA MICHIGAN POWER COMPANY  
(application)

Commissioner Isiogu moved that the Commission adopt and issue order dated February 15, 2012 which involves an application by Indiana Michigan Power Company for authority to increase its electric rates, and for approval of depreciation rates and other matters. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White  
Nays – None

The order was adopted.

3. U-16883 NORTHERN STATES POWER COMPANY  
(‘12 PSCR plan)

Commissioner Isiogu moved that the Commission adopt and issue order dated February 15, 2012 which involves an application by Northern States Power Company, a Wisconsin corporation and wholly owned subsidiary of Xcel Energy, Inc., for authority to implement a power supply cost recovery plan and factors for the 12-month period ending December 31, 2012. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White  
Nays – None

The order was adopted.

4. U-16886 MIDWEST ENERGY COOPERATIVE  
(‘12 PSCR plan)

Commissioner Isiogu moved that the Commission adopt and issue order dated February 15, 2012 which involves an application by Midwest Energy Cooperative for authority to implement its power

supply cost recovery plan for the 12-month period ending December 31, 2012. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White  
Nays – None

The order was adopted.

5. U-16887 ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION ('12 PSCR plan)

Commissioner Isiogu moved that the Commission adopt and issue order dated February 15, 2012 which involves an application by The Ontonagon County Rural Electrification Association for authority to implement its power supply cost recovery plan for the 12-month period ending December 31, 2012. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White  
Nays – None

The order was adopted.

6. U-16888 THUMB ELECTRIC COOPERATIVE ('12 PSCR plan)

Commissioner Isiogu moved that the Commission adopt and issue order dated February 15, 2012 which involves an application by Thumb Electric Cooperative for authority to implement its power supply cost recovery plan for the 12-month period ending December 31, 2012. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White  
Nays – None

The order was adopted.

7. U-16889 GREAT LAKES ENERGY COOPERATIVE ('12 PSCR plan)

Commissioner Isiogu moved that the Commission adopt and issue order dated February 15, 2012 which involves an application by

Great Lakes Energy Cooperative for authority to implement its power supply cost recovery plan for the 12-month period ending December 31, 2012. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White  
Nays – None

The order was adopted.

8. U-16936 INDIANA MICHIGAN POWER COMPANY  
(*ex parte* approval)

Commissioner Isiogu moved that the Commission adopt and issue order dated February 15, 2012 which involves an application by Indiana Michigan Power Company for *ex parte* approval to extend the date by which application for service under the company's economic development rider may be made. The order before you approves the application, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White  
Nays – None

The order was adopted.

9. MINUTE ACTION MIDWEST INDEPENDENT TRANSMISSION OPERATOR, INC.  
(FERC Docket No. ER12-715-000)

Commissioner Isiogu moved that the Commission adopt and issue minute dated February 15, 2012 confirming that the Public Service Division of the Department of the Attorney General filed an intervention on behalf of the Michigan Public Service Commission before the Federal Energy Regulatory Commission in Docket Number ER12-715-000, which is a filing made by the Midwest Independent Transmission System Operator, Inc. describing the process for charging withdrawing transmission owners for transmission costs associated with approved MultiValue Projects, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White  
Nays – None

The minute was adopted.

10.	MINUTE ACTION	MIDWEST INDEPENDENT TRANSMISSION OPERATOR, INC. (FERC Docket No. ER12-739-000)
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Commissioner Isiogu moved that the Commission adopt and issue minute dated February 15, 2012 confirming that the Public Service Division of the Department of the Attorney General filed an intervention on behalf of the Michigan Public Service Commission before the Federal Energy Regulatory Commission in Docket Number ER12-739-000, which is a filing made by the Midwest Independent Transmission System Operator, Inc. describing a proposal for charging existing grandfathered agreements for costs of new regionally beneficial transmission projects, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White  
Nays – None

The minute was adopted.

### C. GAS

1. U-16148-R SEMCO ENERGY GAS COMPANY  
(‘10-‘11 GCR reconciliation)

Commissioner Isiogu moved that the Commission adopt and issue order dated February 15, 2012 which involves an application by SEMCO Energy Gas Company requesting approval to reconcile its gas cost recovery revenues and expenses for the 12-month period ended March 31, 2011. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White  
Nays – None

The order was adopted.

2. U-16151-R PRESQUE ISLE ELECTRIC & GAS CO-OP  
( '11 GCR reconciliation)

Commissioner Isiogu moved that the Commission adopt and issue order dated February 15, 2012 which is an application filed by Presque Isle Electric & Gas Co-op seeking to reconcile its gas cost recovery costs and revenues for the 12 months ended March 31,

2011. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White  
Nays – None

The order was adopted.

#### **D. MOTOR CARRIER**

1. T-1864 COMMISSION’S OWN MOTION  
(Motor Carrier Act)

Commissioner Isiogu moved that the Commission adopt and issue order dated February 15, 2012 which is a matter commenced on the Commission’s own motion to receive comments regarding administration of the Motor Carrier Act following the effective date of Public Act 111 of 2011, MCL 479.2. The order before you provides clarification regarding administration of the Motor Carrier Act, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White  
Nays – None

The order was adopted.

#### **IV. PUBLIC COMMENTS**

There were no public comments.

Chairman Quackenbush announced that the next regularly scheduled Commission Meeting will be held on February 23, 2012.

Commissioner Isiogu moved that the Commission adjourn, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White  
Nays – None

The motion was approved.



The meeting adjourned at 1:50 p.m.

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Mary Jo Kunkle  
Executive Secretary